

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

*Joint Committee on
Finance
(JC-Fi)*

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR_RCP_pt01a
- 97hrAC-EdR_RCP_pt01b
- 97hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤

➤ Clearinghouse Rules ... CRule

➤

➤ Committee Hearings ... CH

➤

➤ Committee Reports ... CR

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➤ Executive Sessions ... ES

➤

➤ Hearing Records ... HR

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➤ Miscellaneous ... Misc

➤ 97hr_JC-Fi_Misc_pt03g_DPR

➤ Record of Comm. Proceedings ... RCP

➤

Joint Finance

16.505/16.515

14 Day Passive
Reviews

12/23/96 to

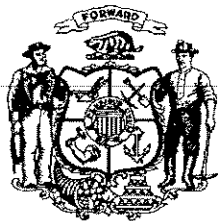
2/18/97

PSC/DK+L/DOA
Gov. 1/16/97

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

ASSEMBLY CHAIR
SCOTT JENSEN



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JOINT COMMITTEE ON FINANCE

January 17, 1997

Mr. Mark Bugher, Secretary
Department of Administration
101 East Wilson Street, 10th Floor
Madison, Wisconsin 53707

Dear Secretary Bugher:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed your December 26, 1996 request pursuant to s. 16.515/16.505(2) concerning requests for funding for basic information technology infrastructure for three agencies: the Public Service Commission, the Department of Regulation and Licensing, and the Department of Administration. In addition, the Committee reviewed a request from the Governor concerning the Wisconsin Sesquicentennial Commission.

No objections to these requests have been raised. Accordingly, the requests have been approved.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of Scott Jensen in black ink.

SCOTT JENSEN
Assembly Chair

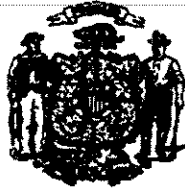
BB:SJ:jc

cc: Members, Joint Committee on Finance
Linda Nelson, Department of Administration
Bob Lang, Legislative Fiscal Bureau

STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

TO: Members
Joint Committee on Finance

FROM: Representative Ben Brancel
Senator Brian Burke
Co-Chairs, Joint Committee on Finance

DATE: December 26, 1996

RE: 16.515/16.505(2) Requests

Attached are copies of requests from the Public Service Commission, the Department of Regulation and Licensing, and the Department of Administration regarding Information Technology Infrastructure. Also attached is a copy of a request from Governor Thompson relating to the Wisconsin Sesquicentennial Commission. As provided in s. 16.515, the Joint Committee on Finance has fourteen days to review these requests. Please contact **Representative Brancel or Senator Burke** no later than **Thursday, January 16, 1997** if you have any questions about these requests or would like the Committee to meet formally to review any of them. If no objections are heard by this date, the requests will be approved.

Also, please contact us if you need further information.

BB:BB:al

CORRESPONDENCE\MEMORANDUM**STATE OF WISCONSIN
Department of Administration**

Date: December 26, 1996

To: The Honorable Brian Burke, Co-Chair
Joint Committee on Finance

The Honorable Ben Brancel, Co-Chair
Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration

Subject: S. 16.515/16.505(2) Requests

Enclosed are requests which have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1995-96 AMOUNT</u>	<u>FTE</u>	<u>1996-97 AMOUNT</u>	<u>FTE</u>
PSC 20.155(1)(g)	Basic IT Infrastructure			\$183,000	
DR&L 20.165(1)(g)	Basic IT Infrastructure			\$298,800	
DR&L 20.165(1)(i)	Basic IT Infrastructure			\$2,600	
DOA 20.505(1)(ka)	Basic IT Infrastructure			\$250,000	
GOVERNOR 20.525(1)(g)	Gifts and Grants; WI Sesquicentennial Comm			\$12,000	1.00

As provided in s. 16.515, this request will be approved on January 21, 1997, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about this request.

Please contact Linda Nelson at 266-3330, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments

Date: December 11, 1996

To: Mark D. Bugher, Secretary
Department of Administration

From: Pamela Henning, Policy and Budget Analyst
State Budget Office

Re: Request under s. 16.515 from the Department of Administration for Basic IT Infrastructure Funding for DOA, PSC, and R&L

REQUEST

The Department of Administration (DOA) requests ongoing authority of \$406,400 PR and one-time authority in FY97 of \$328,000 PR to fund basic information technology infrastructure for three agencies: the Public Service Commission (PSC), the Department of Regulation and Licensing (DR&L) and the Department of Administration. The following table indicates the specific appropriations and spending authority requested within each of the three agencies.

Agency	Appropriation	Amount Requested
Public Service Commission	s. 20.155 (1)(g) [numeric 131]	(ongoing) \$ 105,000 PRO
		(one-time) 78,000 PRO
Department of Regulation and Licensing	s. 20.165 (1)(g) [numeric 121]	(ongoing) \$ 48,800 PRO
	s. 20.165 (1)(i) [numeric 124]	(one-time) 250,000 PRO (ongoing) 2,600 PRO
Department of Administration	s. 20.505 (1)(ka) [numeric 133]	(ongoing) \$ 250,000 PRS

REVENUE SOURCES FOR APPROPRIATION(S):

Revenues deposited in PSC's appropriation under s. 20.155 (1)(g), utility regulation, are being funded from direct and remainder assessments levied on all public utilities in the state. Revenues deposited in DR&L's appropriation under s. 20.165 (1)(g), general program operations, are being funded from initial credential and credential renewal fees paid by the department by prospective credential holders and credential holders seeking renewal. Revenues deposited in DR&L's appropriation under s. 20.165 (1)(i) are being funded from examination fees for examinations required by individuals to acquire a registration or license. Revenues deposited in DOA's appropriation under s. 20.505 (1)(ka) are being funded from DOA's internal overhead account which assesses various program revenue funded operations within DOA including mailing services, fleet, buildings and police services, facilities development, etc. Revenue to fund migration to infrastructure standards is available in each of the above agency appropriations.

ANALYSIS

On December 4, 1995, DOA recommended computer hardware and software standards for all executive branch agencies and specified that agencies should meet these standards within four years (by the end of 1998-99). In order to achieve these standards, DOA required that each state agency submit a migration plan on how these standards would be reached. This request for additional spending authority is based upon the agencies' migration to the new statewide standards.

DOA has determined standard costs associated with hardware and software components and established consistent replacement schedules including four years for desktop components and five years for network components. Standard costs of \$3,000 per PC and \$3,000 per printer are used.

In response to the Legislative Fiscal Bureau's concern that DOA did not have a standard rule for which projects should be master leased, DOA has established a standard rule for such projects being master leased. DOA will recommend providing funding for master lease interest only for those agencies with 500 FTE or fewer. Larger agencies over 500 FTE should have enough flexibility within base resources to acquire and replace about 25% of their equipment each year without the need for master lease. For those agencies with less than 500 FTE, DOA proposes to add 10% to the total amount needed over the component life cycle to provide agencies with the ability to master lease some proportion of those components.

Public Service Commission

Total funding requested for the PSC for infrastructure purchases is \$183,000 which includes \$105,000 ongoing spending authority and \$78,000 one-time authority in FY97 for applications conversion. The \$105,000 includes funding for 184 PCs, 19 printers, a network server, and technical staff training and end-user training provided by the Small Agency Support Initiative (SASI).

Department of Regulation and Licensing

Total funding requested for the DR&L for infrastructure purchases is \$301,400 which includes \$51,400 ongoing spending authority and \$250,000 one-time authority in FY97 to reprogram the credential holder system from the current WANG platform onto a client/server platform. The \$250,000 will be expended on 3 contract programmers, PCs and software for 3 developers, and LTE PC support hours. The \$51,400 includes funding for 128 PCs, 13 printers, 4 network servers, network software, miscellaneous hubs, adapters, and power supply and remote access. The \$51,400 is split 95% out of s. 20.165(1)(g) and 5% out of s. 20.165 (1)(i) based upon the staff ratio in the two appropriations.

Department of Administration

Total ongoing funding requested for the DOA for infrastructure purchases is \$250,000. The \$250,000 includes funding for three major areas: (1) \$75,000 annually to fund network costs related to extending network capability to the fourth and fifth floors of the Administration building which do not currently have local area networks or data communications infrastructure. Current DOA base resources fund networks on the floors within the building that are occupied by DOA. However, as the fourth and fifth floors become vacant and DOA expands its own agency staff to these floors, additional spending authority is needed to expand network services to these floors. The \$75,000 includes cabling, network software, file servers, switches and ethernet and lane cards. (2) \$75,000 annually to fund the purchase of 25 PCs to bring the department up to the standard four year

replacement cycle. DOA has 700 PCs that need replacement on a four year cycle consisting of 175 PCs annually. Base resources only fund 150 PCs. (3) \$100,000 annually to fund 2,000 hours for one full-time contract programmer to reprogram several legacy systems within the department that are obsolete and no longer supported by the database vendor. A total of 31 legacy systems exist in DOA which need to be converted to the new enterprise database standard at a total cost of \$480,000. The \$100,000 requested will convert six legacy systems to new standards including such applications as the federal cash management system in the State Controller's Office, risk management property claims system, the point-of-sale system used by Document Sales for sales to the public, the fleet management and reporting systems, the Division of Agency Services paper inventory/warehouse system, and the internal purchasing system used by the Division of Buildings and Police Services.

Specific breakdowns of costs associated with hardware and software components for each of the three agencies are included in the attached request from the agency.

RECOMMENDATION

Approve the request for ongoing spending authority and one-time spending authority in FY97 for the PSC (\$105,000 ongoing; \$78,000 one-time), DR&L (\$51,400 ongoing; \$250,000 one-time) and DOA (\$250,000 ongoing).

CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: November 25, 1996

CC DC PN
JK MN
CA SATo: Richard G Chandler
State Budget DirectorFrom: James R Klausner
Secretary

Re: S.16.515 Request for Basic IT Infrastructure Funding for DOA, PSC, and R&L

Under the provisions of s.16.515, the department requests the following increases in expenditure authority in FY97 to fund basic IT infrastructure. The department also requests that those increases marked "ongoing" be made permanent additions to agency bases to fund the annual costs required to purchase and replace equipment on the state standard replacement cycles. Revenues to support these increases will be available.

Agency	Appropriation	Amount Requested
Public Service Commission	s.20.151 (1) (g) [numeric 131]	(ongoing) \$ 105,000 PRO (one-time) 78,000 PRO
Dept of Regulation and Licensing	s.20.165 (1) (g) [numeric 121] s.20.165 (1) (i) [numeric 124]	(ongoing) \$ 48,800 PRO (one-time) 250,000 PRO (ongoing) 2,600 PRO
Dept of Administration	s.20.505 (1) (ka) [numeric 133]	(ongoing) \$ 250,000 PRS

This request is based upon the agencies' migration plans to the new statewide standards. However, the department has adjusted those migration plans in several ways. First, ongoing amounts needed to fund agency acquisitions are built into agency bases. This is done by using replacement schedules of four years for desktop components and five years for network components. For desktop components, standard costs of \$ 3,000 per PC and \$ 3,000 per printer are typically used. In addition, some items in migration plans that are not basic infrastructure are not requested here, and some costs have been adjusted.

In its April 16 review of the department's Information Technology Investment Fund s.16.515 request, the Legislative Fiscal Bureau noted that the department at that time "did not have a standard rule for which projects should be master leased."

Except in circumstances where only small ITIF grants are available in one fiscal year for a large department and the use of master lease could leverage those funds effectively, the department proposes to use a general rule of providing funding for master lease interest only to agencies below 500 FTE. Larger agencies should typically have enough flexibility to acquire/replace about 20 - 25 % of their equipment each year, thereby obviating the need for master lease in most instances. For agencies with less than 500 FTE, the department proposes to add 10 % to the total amount needed over component life cycles to provide such agencies the ability to master lease at least some proportion of those components.

Public Service Commission

The Public Service Commission (PSC) has 184 staff, who are typically power users, and has therefore requested 17" monitors rather than the standard 15" desktop monitor for PCs. These monitors add about \$ 500 to the cost of a PC. In addition to the ongoing base costs contained in the table below, PSC's migration plan lists \$ 78,000 in one-time costs in FY97 for applications conversion. The only network element requested in PSC's migration plan thru FY99 is a network server. At a later time, the agency may request additional funds for other network components when the time comes to replace them.

In addition, the recommendation includes \$43,200 beginning in the current fiscal year for end-user and technical staff training. The recommendation for technical staff training is in line with the standards established by the department. The end user training costs are based on current experience in providing training through the Small Agency Support Initiative.

PUBLIC SERVICE COMMISSION INFRASTRUCTURE COSTS			
Cost Element	# @ Unit Cost	Total Cost	Annual Amount
Desktop PCs and laptops	184 @ \$ 3,500	\$ 644,000	\$ 177,100
Printers	19 @ \$3,000	57,000	15,700
Network Server	1 @ \$ 14,000	14,000	3,100
Technical Staff Training	60 hours/person @\$75/hour	18,000	18,000
End User Training	180 staff @ \$140/person	25,200	25,200
TOTALS		\$758,200	\$ 239,100 - base 134,100 = req <u>\$ 105,000</u>

Note: The annual amount is 110 % of the total cost (to allow for some master lease payments) divided by 4 (for the replacement cycle) for PCs and printers and by 5 for network components.

Department of Regulation & Licensing

The Department of Regulation and Licensing has 128 staff and will incur the following infrastructure costs.

DEPARTMENT OF REGULATION AND LICENSING INFRASTRUCTURE COSTS			
Cost Element	# @ Unit Cost	Total Cost	Annual Amount
Desktop PCs and laptops	128 @ \$3,000	\$ 384,000	\$ 105,600
Printers	13 @ \$3,000	39,000	10,700
Network Servers: Novell Server Fax Server CD Server	2 @ \$8,000 \$ 3,500 \$ 10,000	29,500	6,500
Network Software	\$ 25,100	25,100	5,500
Misc Item Hubs NetworkAdapter Backup & Power Supply	\$ 6,000 \$ 10,000 \$ 5,000	21,000	4,600
Remote Access	\$ 5,000	5,000	1,100
TOTALS		\$ 500,600	\$ 134,000 - base 82,600 = req \$ 51,400

Note: The annual amount is 110 % of the total cost (to allow for some master lease payments) divided by 4 (for the replacement cycle) for PCs and printers and by 5 for network components.

Of R&L's staff, about 95 % are in appropriation (1) (g) with the remainder in (1) (i). Therefore the total requested in the table above is split 95:5 between those appropriations.

In addition to these continuing infrastructure costs, R&L needs one-time funds to migrate its mission-critical Credential Holder System from its current WANG platform onto the client/server platform that takes advantage of the network infrastructure. The current system has a Year 2000 problem which must be resolved before December, 1997, when credentials renewed in that month will reflect a next renewal date of 2000. Since the WANG is an obsolete platform that is no longer manufactured or supported, R&L will reprogram the system using a client/server platform. R&L will start analyzing system needs immediately, begin system design next March, implement and test a prototype in June, and go to full production in September.

Total costs to reprogram the Credential Holder System in FY97 will be \$250,000. Of this amount, \$219,400 will be expended on 3 contract programmers at \$45/hour for 1,625 hours each. Also, \$15,300 will be expended for PCs and Developer/2000 software for the 3 developers, and another \$15,300 for LTE PC support for 1,044 hours.

Department of Administration

The Department of Administration (DOA) has about 700 staff using computers supported by its Office of Computer Services. Because much of DOA is already at the statewide standards and the department has sufficient base funding to permit replacement of most of its current equipment on the standard replacement schedules, DOA did not need to formulate a departmentwide migration plan to the standards. However, DOA does have several infrastructure-related needs for which it is requesting funding. Costs for each of these needs is given in the table that follows the narrative description of these needs. All the funds requested are for an internal PRS information technology account. DOA's program divisions will absorb any increased costs for IT account chargebacks from their base budgets.

First, DOA requests \$75,000 annually to fund network costs related to providing services on additional floors of the Administration Building. While the department supports from base resources the networks it has built on the floors it now uses, additional funds are required to build networks on the fourth and fifth floors to which agency staff will be expanding in FY97. Those costs are outlined in the table below.

Second, DOA requests \$75,000 annually to fund the acquisition of 25 PCs to bring the department up to the standard replacement schedule. Replacement of 700 PCs on a four-year schedule requires acquisition of 175 computers annually. DOA currently replaces about 150 PCs per year and requests funding for 25 more to meet its replacement needs.

Third, DOA requests \$100,000 annually for the services of about one full-time contract programmer to reprogram a number of legacy systems which were programmed in a relational database that predated the current standard and that is no longer supported by the database vendor.

These legacy systems -- identified as high priorities in DOA's strategic IT plan -- include such applications as the controller's federal cash management system, a Risk Management property claims systems, a point-of-sale system for Document Sales, various mobile home applications for Housing, Buildings & Police Services' purchasing system, and Agency Services warehouse inventory. Due to the number of applications using this obsolete software, the conversion effort will take a number of years. In addition, other software packages currently in use will in the course of time become obsolete and require conversion. This \$100,000 is therefore requested as a permanent addition to base.

The table on the next page itemizes the costs.

DEPARTMENT OF ADMINISTRATION INFRASTRUCTURE COSTS			
Cost Element	# @ Unit Cost	Total Cost	Annual Amt
<u>Network-related costs for add'l floors</u>		\$372,600	75,000
Cabling	\$60,000		
Network monitoring software	\$30,000		
File servers	2 @ \$30,000		
Catalyst 5000 switches	6 @ \$10,000		
12-port Ethernet cards	18 @ \$6,700		
ATM Dual LANE cards	6 @ \$7,000		
Additional replacement PCs	25/yr @ \$3,000	\$ 75,000/yr	75,000
Contract programming services	2,000 hours @ \$50	\$ 100,000/yr	\$ 100,000
TOTALS			\$ 250,000

Note: The annual amount for network costs is based upon a five-year replacement schedule for such components.


cc: Mark Wahl

Prepared by: Henry X Dudek (7-0620)
 Bureau of Technology Policy and Planning
 Division of Technology Management

CORRESPONDENCE\MEMORANDUM**STATE OF WISCONSIN
Department of Administration**

Date: December 23, 1996

To: Mark D. Bugher, Secretary
Department of Administration

From: Gail Riedasch, Policy and Budget Analyst 
State Budget Office

Subject: Request Under 16.505/515 From The Wisconsin Sesquicentennial Commission (Office of the Governor) For Additional Position and Expenditure Authority

REQUEST:

The Wisconsin Sesquicentennial Commission requests position authority of 1.0 unclassified project FTE ending March 31, 1999 and additional expenditure authority of \$12,000 in fiscal year 1996-97, \$25,000 in fiscal year 1997-98, and \$19,000 in fiscal year 1998-99 to hire a receptionist for Commission activities.

REVENUE SOURCES FOR APPROPRIATION(S):

The sources of revenue deposited in the appropriation under s. 20.525(1)(g), gifts and grants, Wisconsin sesquicentennial commission, are from general gifts, grants and bequests received by the Commission from Wisconsin businesses and individuals.

BACKGROUND:

The Wisconsin Sesquicentennial Commission was created by 1991 Wisconsin Act 269 to plan activities associated with the 150th anniversary of Wisconsin's admission as a state in 1848. The Commission is attached administratively to the Officer of the Governor. 1995 Wisconsin Acts 27, 216 and 445 created several appropriations to fund Commission activities. None of these acts established any position authority for the Commission. The Commission put forth a request for 4.0 FTE position authority from the Joint Committee on Finance at the 13.10 meeting held on September 26, 1996. The JCF approved 3.0 FTE (1 GPR, 525(1)(em); 2 PR, 525(1)(g)) but deferred approval of the receptionist position. The Commission had stated in their 13.10 request that the receptionist position would not be needed until early 1997 when office activity had increased to warrant this hire.

ANALYSIS:

The activities of the Wisconsin Sesquicentennial Commission have increased significantly since October 1996. Communities and organizations in Wisconsin are beginning to seek technical and financial assistance for their sesquicentennial projects. The Commission is also receiving inquiries regarding instructions on how to order the special sesquicentennial license plate. Over 500 Wisconsin companies have been

Mark D. Bugher
12/13/96
Page 2

solicited to financially assist in the Sesquicentennial celebration. Approximately 30 companies have pledged over \$1,200,000 to date. In late January 1997, the sesquicentennial merchandising contract will be awarded and information regarding these items will be requested. The receptionist position will be essential in providing information on all these activities.

RECOMMENDATION:

Approve the request.


CC DC
GR

WISCONSIN SESQUICENTENNIAL COMMISSION

P.O. Box 1848
Madison, WI 53701-1848
608-264-7990
608-264-7994 fax

MEMORANDUM
December 5, 1996

TO: James Klauser, Secretary
Department of Administration

FROM: Dean Amhaus, Executive Director
Wisconsin Sesquicentennial Commission 

RE: s.16.515 and s.16.505 Request for a Commission Receptionist.

The Wisconsin Sesquicentennial Commission requests consideration under s.16.515 to increase the expenditure authority for the Commission's appropriation (s.20.525(1)(g)) by \$12,000 in FY 1997, \$25,000 in FY 1998 and \$19,000 in FY 1999. The additional expenditure authority is needed to hire a Receptionist for the Wisconsin Sesquicentennial Commission. Therefore, in addition, the Commission also requests consideration under s.16.505 for additional position authority of 1.0 FTE receptionist.

The Wisconsin Sesquicentennial Commission was created by 1991 Wisconsin Act 269 to plan activities associated with the 150th anniversary of Wisconsin's admission as a state in 1848. On September 26, 1996 the Commission came before the Joint Committee on Finance to request authorization to hire 1.0 GPR unclassified project position to serve as the Executive Director of the Commission. In addition, the Commission asked for authorization to hire 3.0 PR unclassified project positions as support staff for the Commission. Our request stated that one of the PR positions, i.e. receptionist, would be hired when the Commission's programs and the public's interest in the Sesquicentennial generated the necessary level of activity to hire the person.

The Joint Committee on Finance approved the Commission's request for 1.0 GPR unclassified project position and 2.0 PR unclassified project positions. The Committee did not approve the receptionist position as it was not required until January 1997. Developments surrounding the Sesquicentennial now necessitates the hiring of this position.

Since the middle of October the level of overall activity related to the Sesquicentennial has multiplied significantly. Communities and organizations are looking for technical and financial assistance for their Sesquicentennial projects, requests are arriving daily for the

special Sesquicentennial license plate and increased interest exists among Wisconsin's business to become a partner with the state in the 150th Anniversary celebration.

Since the special license plate was unveiled in the beginning of October we have had regular inquiries about how to order the plate. Interest in the license plate will only escalate as they begin to show up on Wisconsin's roads in January. Within the last month we have solicited over 500 companies to assist in the Sesquicentennial celebration. To date nearly thirty companies have pledged over \$1,200,000. Additionally, on January 15 we will receive our first round of grant applications for Sesquicentennial funding. Later in January we also begin finalizing the candidates that will be handling the Sesquicentennial merchandise line. All of the activities will require the assistance of a receptionist.

Thank you for your assistance with this matter. If you have any questions or need additional information , please call me at 264-7990.

cc: Dan Caucutt
Robert Lang